



**RCA
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 2
AGENDA DATE: Thu 06/24/2004
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SUBJECT: Approve an ordinance waiving certain development application, review, and permit fees and certain dual feed service fees and authorizing the reimbursement of certain development application, review, and permit fees for the proposed expansion of facilities located at 12100 Samsung Blvd., by Samsung Austin Semiconductor, L.P., in an amount not to exceed \$1,604,000.

AMOUNT & SOURCE OF FUNDING: N/A

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING DEPARTMENT: Austin Energy

DIRECTOR'S AUTHORIZATION: Juan Garza

FOR MORE INFORMATION CONTACT: Bob Kahn, Assistant City Attorney/ 322-6572

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: N/A

MBE / WBE: N/A

Samsung Austin Semiconductor, L.P. proposes to expand its facilities located at 12100 Samsung Boulevard, Austin, Texas. This expansion will help stimulate the overall local economy by creating at least 240 permanent jobs over the next five years; allowing fabrication of semiconductors at these facilities to continue into the next decade; increasing Austin Energy's base revenues by approximately \$1.6 million annually; and adding significant new property to the City's tax base.

The investment by Samsung is estimated to be \$500 million and the total economic impact to the Austin area is estimated to be \$750 million.

Based on the positive economic benefits to the City through Samsung's expansion and because the expansion is consistent with the City's economic development programs and will promote the public purpose of economic development in the area, staff recommends the following, in an amount not to exceed \$1,604,000, be waived.

Development application, review, and permit fees in an amount not to exceed: \$ 100,000.00

The estimated dual feed service fees to be waived by Austin Energy are:

Dual Feed Service Fees

Initial assessment fee \$ 4,000.00

Facilities design and construction \$1,500,000.00

Total Estimated Dual Feed Service Fees: \$1,504,000.00

Total Estimated Fee Waivers and Reimbursements: \$1,604,000.00

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ORDINANCE NO.

AN ORDINANCE WAIVING CERTAIN DEVELOPMENT FEES AND CERTAIN DUAL FEED SERVICE FEES AND AUTHORIZING THE REIMBURSEMENT OF CERTAIN DEVELOPMENT FEES FOR THE PROPOSED EXPANSION OF FACILITIES LOCATED AT 12100 SAMSUNG BOULEVARD, AUSTIN, TEXAS BY SAMSUNG AUSTIN SEMICONDUCTOR, L.L.C. IN AN AMOUNT NOT TO EXCEED \$1,550,000.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. FINDINGS.

Samsung Austin Semiconductor, L.L.C. proposes to expand its facilities at 12100 Samsung Boulevard by constructing a building used for the fabrication of semiconductors and containing approximately 34,000 square feet. The Council finds that waiving certain development fees and certain dual feed service fees and authorizing the reimbursement of costs of certain development fees for the expansion is consistent with an economic development program and will promote the public purpose of economic development in the Austin area.

PART 2. WAIVERS.

(A) The fees listed in Section B are waived for the expansion of the facilities located at 12100 Samsung Boulevard if the owner of the property completes the expansion in accordance with the agreement described in Section (C). The appropriate director may reimburse a fee listed in Section (B) if the fee has already been paid.

(B) The following fees are waived under Section (A) in an amount not to exceed \$1,550,000: site plan application fee; building permit fees, including the building fee, electric fee, mechanical fee and plumbing fee; building plan review fee; and dual feed service fees, including the initial assessment fee and the facilities design and construction fee.

(C) The property owner, Samsung Austin Semiconductor, L.L.C, submitted documents to the City in support of its request to expand its facilities under an economic development program. The City Manager shall negotiate and execute an agreement with the property owner requiring the owner to expand its facilities in accordance with the documents submitted by the owner. In

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addition to other provisions that may be negotiated, the agreement shall require the owner to:

- (1) use the \$1 million payment solely for the costs of construction, engineering and installation of energy infrastructure improvements;
- (2) create and add at least 240 permanent jobs at the expanded facilities by July 1, 2009;
- (3) increase its annual energy consumption by at least 60 million kilowatt hours by July 1, 2009; and
- (4) if Samsung fails to fulfill its obligations:
 - (a) reimburse the City its costs and expenses; and
 - (b) pay the applicable fee for each application that has been filed and each review that has occurred if the associated fee has been waived by this ordinance.

PART 3. This ordinance takes effect on _____, 2004

PASSED AND APPROVED

_____, 2004 §
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 Will Wynn
 Mayor

APPROVED: _____
 David Allan Smith
 City Attorney

ATTEST: _____
 Shirley A. Brown
 City Clerk